

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 2714 – HB 2915

March 12, 2012

SUMMARY OF AMENDMENT (013453): Deletes all language after the enacting clause. Defines terms relative to residential roofing contractors. Authorizes a person, upon written notice from the person's insurer that all or any part of a claim or contrive is not a covered loss under an insurance policy, to cancel a roofing contract by following an enumerated procedure. Requires, prior to entering into a contract, a residential roofing services provider to furnish a person specified information regarding the provider and the person's right of cancellation. Establishes procedures for returning any payments or deposits upon cancellation of a contract. Authorizes compensation if the contractor has performed emergency services that were acknowledged by the person in writing. Prohibits a provider from offering to represent an owner of residential real estate on an insurance claim in connection with the repair of a roof system unless the provider holds a valid public adjuster license. Adds infringement of this section as a violation of the Consumer Protection Act, a Class B misdemeanor.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions applied to amendment:

- According to the Department of Commerce and Insurance, this bill will create another ground for which the Division of Consumer Affairs will investigate or mediate consumer complaints. This can be done within the Department's existing resources without an increased appropriation or reduced reversion.
- Pursuant to Tenn. Code Ann. § 4-3-1011, all regulatory boards are required to be self-supporting over a two-year period. The Tennessee Board for Licensing Contractors had closing balances of \$2,074,844 in FY10-11 and \$1,581,060 in FY09-10.
- There will not be a sufficient number of prosecutions for state or local governments to experience any significant increase in revenue or expenditures.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/sbh